

May 24, 2012

Valassis NSA

Docket No. MC2012-14

Docket No. R2012-8

Dear Secretary, Postal Regulatory Committee,

This letter is in response to the proposed Valassis NSA, Docket No. MC2012-14.

Vertis Communications places millions of dollars of advertising through the USPS annually on behalf of our clients. As a results-driven marketing communications company, we deliver inventive advertising, direct marketing, and interactive solutions to prominent brands across North America. Our broad client base covers a wide range, from service to retail, from regional to national, and from those that sell durable goods to perishable goods. We place advertising for our clients in both direct mail and in shared mail programs including a large quantity through Valassis' current weekly product.

Vertis Communications recommends that the Postal Regulatory Commission reject the proposed NSA, Docket No. MC2012-14, for a number of reasons:

First, the proposed rate discount would allow Valassis to unfairly compete against Vertis and other companies in the advertising industry by giving Valassis a benefit that competitors cannot obtain. This kind of discrimination, particularly when provided to an already powerful company like Valassis, distorts the competitive process by reducing the ability of others to compete on a level playing field-- harming both competitors and, ultimately, advertising customers. This impact would be particularly dramatic on Vertis's Direct Mail business, which is a key advertising avenue for many of our clients.

Second, the USPS may experience reduced revenue, as advertisers will be more likely to shift from Direct Mail to a discounted shared mail program. The proposed NSA only protects the business shifting from a current Valassis piece/placement to the proposed new Valassis package. It does not protect against shifts from a current mailed product outside of Valassis.

Third, if this NSA were to pass, not all advertisers would be able to benefit, and it would offer an unfair advantage to those who would receive the discount. For example, the discounts would not be offered to regional retailers or to non-durable goods advertisers.

Fourth, many current Valassis shared mail clients and regional retailers may spend more through the USPS than any new customer through this NSA. These higher spending, higher

volume advertisers will be paying a higher cost than a large durable goods retailer, simply because they have not been a current Valassis/USPS customer.

For the above reasons, Vertis Communications asks that the Postal Regulatory Commission reject the proposed NSA, Docket No. MC2012-14.

Sincerely,

Stephanie Stanton

VP, Media Services